



Edward J. Bloustein School
of Planning and Public Policy

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Media Release

**John J. Heldrich Center for Workforce Development,
Rutgers University**

American Workers Assess an Economic Disaster

National Survey Finds...

**Two-thirds say economic conditions will be the same or worse a year
from now**

**50% of working Americans are very concerned
about their job security**

**American workers divided about how government should respond; express little faith in
Washington's ability to manage the economy**

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Copies of *American Workers Assess an Economic Disaster* are available online at <http://bit.ly/dwC7J7>.

Media Conference Call with Co-Authors:

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CALL IN # 1-800-260-7078. Password: 188696#

Nearly three years into a devastating economic recession, American workers are deeply pessimistic about prospects for economic recovery. The majority believes that the nation's economy has undergone a fundamental and lasting change, a new nationwide survey finds.

As Labor Day 2010 approaches, the survey found that the recession's impact is far more widespread than just those who are unemployed. Nearly three in four (73%) Americans have been directly affected by a recession that is unprecedented in its length and severity. During the recession:

- 14% lost a full- or part-time job
- Another 12% saw an immediate family member lose a job
- Another 30% had a member of their extended family lose a job
- Another 17% knew a close friend who lost a job

The report, entitled ***American Workers Assess an Economic Disaster***, was prepared by professors Carl Van Horn and Cliff Zukin of the John J. Heldrich Center for Workforce Development, a research and policy center at Rutgers University. The report is based on a nationally representative sample of 818 employed and unemployed Americans interviewed from July 19 to August 6, 2010 using the web-enabled KnowledgePanel® conducted by Knowledge Networks of Menlo Park, CA.

Nearly two in three of those surveyed expect the United States to still be in a recession next year; another 18% fear a depression is coming. According to Professor Van Horn, the study's co-author:

“Prolonged and high levels of unemployment deeply affected most American families, causing the employed and unemployed alike to make significant financial sacrifices. After suffering through the worst economic disaster most have ever experienced, American workers have diminished expectations about America's economic future and do not have much faith that the nation's political leaders can move the country forward.”

Some of the other key findings of the national survey are:

- More than half (56%) think the U.S. economy has undergone a fundamental and lasting change as opposed to a temporary downturn (43%).
- Fully 41% anticipate that the United States will be experiencing similar economic conditions a year from now while another quarter (27%) actually believes the economy will get worse before it gets better.
- Nearly 9 in 10 Americans (86%) who are still working express at least **some** concern about their job security; half of them report being **very** concerned.

The Causes of Unemployment

American workers spread the blame around for high levels of unemployment and personal economic strife during the Great Recession, but they cite three leading causes above others: global competition, illegal immigrants, and Wall Street bankers.

- Nearly three in four respondents (74%) attribute high levels of joblessness to competition and cheap labor from other countries.
- A near majority of those surveyed (47%) believe illegal immigrants have taken jobs away from Americans and contributed to high unemployment.

- Over 4 in 10 respondents (45%) attribute high unemployment to the actions of Wall Street bankers.

About a third of American workers also believe that the policies of former President George W. Bush (31%) and President Barack Obama (33%) contributed to record unemployment.

Employed and unemployed Americans agree that the vast majority of unemployed workers are not in that predicament due to their own behavior. Only one-quarter of those working (26%) and one in six of the unemployed (17%) say that the high jobless rate is due to the fact that some people do not want to work.

Study co-author Professor Cliff Zukin said,

“With so many families being directly affected, we find Americans have great sympathy and empathy for the plight of the unemployed. Rather than being viewed as slackers, the unemployed are seen as wanting to work and trying hard to get jobs. Blaming the unemployed for their condition is akin to blaming the victim.”

Assessing Policies and Political Leaders

Employed and unemployed workers have different views about who is responsible for helping the unemployed. When asked who bore the primary responsibility for helping those without work, 42% of Americans say workers themselves should be responsible, while 32% say the government and 26% say employers. In contrast, more than half (51%) of the **unemployed** say government should have primary responsibility for helping the unemployed and just 22% say that workers should have the primary responsibility.

There is no consensus among American workers about potential policy remedies for the unemployed and the economy:

- By a margin of 70% to 30%, more disagree than agree that a new economic stimulus package is needed, even if it adds to the national debt.
- Half believe the government should cut taxes for businesses in order to help create jobs, even if it causes the national debt to increase.
- 54% would be willing to see the debt go up in order to fund programs to directly create jobs; 77% of unemployed workers support job creation programs.

The survey also found that Americans are very skeptical about Washington’s ability to manage the economy. When asked who they trusted to handle the economy, just 23% chose President Obama and 19% said the Republicans in Congress. Forty-five percent say they trust neither. President Obama gets low marks for dealing with the recession. Just 19% of Americans believe Obama’s policies have reduced the length of the recession. Twice as many (39%) believe his policies have actually lengthened the recession, with the remaining 41% saying that the administration’s policies have neither helped nor hurt.

The Financial and Emotional Impacts of the Recession

About three in four **unemployed** Americans reported that the economic downturn had a **major** impact on them and their families; more than half (56%) describe their family finances as flat out poor. Employed Americans have not been spared: more than one-third of those working (37%) say the recession had a **major** impact on them; more than half (51%) rate their personal financial situation as only fair or poor.

Facing mounting financial problems, millions of Americans are borrowing money, if they can, and making significant lifestyle changes. Among the more important findings:

- Three in four Americans and 86% of unemployed workers cut back on spending.
- Nearly two-thirds of unemployed workers (63%) and 4 in 10 (41%) of Americans spent down savings accounts set aside for retirement.
- 60% of unemployed workers and 25% of employed Americans borrowed money from family or friends.

Unemployed Americans also experienced emotional stress. Nearly one in five (18%) of the unemployed sought professional help in the past year for a stress-related disorder or depression, and nearly one in ten declared personal bankruptcy. Among working Americans, 8% sought mental health counseling due to the economy and 3% declared bankruptcy.

The latest Heldrich Center *Work Trends* survey was fielded July 19 to August 6, 2010 online with a national probability sample of 818 U.S. residents age 18 or older through Knowledge Networks. The sample includes 326 respondents who are currently employed and 262 respondents who are unemployed and looking for work. The sampling error for 800 respondents is +/- 4%, at a 95% confidence interval. It is about $\pm 6\%$ for the employed and about $\pm 7\%$ for the unemployed/looking.

The **John J. Heldrich Center for Workforce Development** is based at the Edward J. Bloustein School of Planning and Public Policy, at Rutgers University. It is one of the nation's leading university-based research and policy centers dedicated to raising the effectiveness of the American workplace through improved workforce education, placement, and training. The Center identifies innovative workforce practices and practical policy changes that can help Americans receive the education and training they need to be productive and prosperous in a global knowledge economy. Learn more at www.heldrich.rutgers.edu.